



**ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES
JULY 18, 2011**

The Electric Utility Commission (EUC) convened in a regular meeting in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. **CALL TO ORDER** – Phillip Schmandt, Chair, called the meeting to order at 6:00 p.m. Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Gary ‘Bernie’ Bernfeld, Shudde Fath, Stephen Smaha, and Steve Taylor. Dr. Michael E. Webber was absent.

Staff in attendance: Larry Weis, Cheryl Mele, Kerry Overton, Elaine Hart, J.J. Gutierrez, Ann Little, Andy Perny, Jackie Sargent, Alan Claypool, Karl Rabago, Pat Sweeney, Ed Clark, David Kutach, Kathleen Garrett, Fred Yebra, Scott Jarman, Jim Collins, Adrienne Brandt, Matt Russell, Marnie Cervenka, Cindi Perez, Carlos Cordova, Drusilla Saenz, and Toye Goodson Collins of Austin Energy; Rosemary Ledesma and Shawn Harris of the Purchasing Department.

2. **APPROVAL OF MINUTES** - Approve minutes of the June 20, 2011 regular meeting. **Motion to approve minutes by Commissioner Taylor, seconded by Commissioner Fath, passed on a vote of 6-0.**
3. **CITIZEN COMMUNICATIONS** – Lanetta Cooper of the Texas Legal Services Center provided comments and a handout on electric rate design. Scott Johnson spoke regarding proposed Fleet purchases and, specifically, on Item 22.

NEW BUSINESS – CONSENT ITEMS

4. Recommend authorization to execute a construction contract with PIATRA INC. (FW/WBE - 81.66%), Austin, TX, for Austin Energy’s Mueller Substation Security Enclosure in an amount not to exceed \$199,897.50. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
5. Recommend authorization to negotiate and execute an amendment to the professional services agreement with ELLERBE BECKET INC., Minneapolis, MN, for architectural consulting services for Austin Energy's new System Control Center in the amount of \$230,240.34, including an increase of authorization in the amount of \$165,154.34, plus a contingency in the amount of \$50,000, for a total not-to-exceed authorization increase of \$215,154.34, and total not-to-exceed contract amount of \$5,167,837.11. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
6. Recommend authorization to award and execute a 12-month requirements supply contract with S&C ELECTRIC COMPANY, Chicago, IL, for the purchase of circuit switchers for Austin Energy in an estimated amount not to exceed \$798,085, with four 12-month extension options in an estimated amount not to exceed \$798,085 per extension option, for a total estimated contract amount not to exceed \$3,990,425. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
7. Recommend authorization to award and execute a 12-month requirements service contract with ABB, INC., Raleigh, NC, for support and maintenance of Austin Energy’s STATCOM System in an estimated amount not to exceed \$100,000, with four 12-month extension options in an estimated amount not to exceed \$100,000 per extension option, for a total estimated contract amount not to exceed \$500,000. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**

8. Recommend authorization to award and execute a 12-month requirements supply contract with WAUKESHA ELECTRIC SYSTEMS, INC., Dallas, TX, for the purchase of load tap changer kits for use at Austin Energy substations in an estimated amount not to exceed \$200,000, with four 12-month extension options in an estimated amount not to exceed \$200,000 per extension option, for a total estimated contract amount not to exceed \$1,000,000. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
9. Recommend authorization to award and execute a 12-month requirements supply contract with TEXAS ELECTRIC COOPERATIVES, Georgetown, TX, for the purchase of relays for switchgear and control panels for Austin Energy in an estimated amount not to exceed \$200,000, with four 12-month extension options in an estimated amount not to exceed \$200,000 per extension option, for a total estimated contract amount not to exceed \$1,000,000. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
10. Recommend authorization to award and execute a 12-month requirements supply contract with ACE 1 POWER EQUIPMENT, Austin, TX, for the purchase of meter sockets with prewired voltage transformer packs for Austin Energy in an estimated amount not to exceed \$150,000, with four 12-month extension options in an estimated amount not to exceed \$150,000 per extension option, for a total estimated contract amount not to exceed \$750,000. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
11. Recommend authorization to negotiate and execute all documents and instruments necessary or desirable for the fee simple acquisition of a 12.62-acre tract of land out of Lot 4, Block H, Interport Planned Development, Travis County, Texas, located on Fallwell Lane, Austin, Texas, from New Interport, Ltd., a Texas Limited Partnership, to increase the land buffer and to support the planned expansion of Austin Energy's Sand Hill Energy Center in an amount not to exceed \$998,000. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
12. Recommend authorization to award, negotiate and execute an 84-month contract with POWER SYSTEMS MFG, LLC, Jupiter, FL, or one of the other qualified offerors to RFP No. SMH0118, for a long term maintenance agreement for Sand Hill Energy Center's gas turbine and generator unit #5 in an estimated amount not to exceed \$22,937,248. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
13. Recommend approval of an ordinance authorizing acceptance of \$363,250 in American Recovery and Reinvestment Act (ARRA) grant funds administered through the State Energy Conservation Office (SECO) and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget Special Revenue Fund (Ordinance No. 20100913-002) to appropriate such grant funds, and recommend authorization to negotiate and execute a grant agreement between SECO and Austin Energy for the installation of a solar photovoltaic system at the City of Austin's George Washington Carver Museum and Library. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
14. Recommend issuance of a rebate to CJUF II STRATUS BLOCK 21 LLC for the installation of energy efficient equipment in an amount not to exceed \$63,475. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**

15. Recommend issuance of a Letter of Intent for a rebate to LENNAR HOMES, Austin, TX, for the installation of solar energy systems designed to serve 12 new construction residential homes in the BRADSHAW CROSSING, COLORADO CROSSING, and STONEY RIDGE CROSSING SUBDIVISIONS, for a total amount not to exceed \$120,000. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
16. Recommend authorization to award and execute a 12-month requirement service agreement with YOUR FLYERS DELIVERED, Austin, TX, for the distribution of door hanging advertisements for Austin Energy's Power Saver™ Programs in an estimated amount not to exceed \$29,850, with three 12-month extension options in an estimated amount not to exceed \$29,980, for a total estimated contract amount not to exceed \$119,400. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
17. Recommend authorization to award, negotiate and execute a 22-month contract with TUERFF-DAVIS ENVIROMEDIA, INC., Austin, TX, or the other qualified offeror to RFP No. SMH0120, for marketing services in an estimated amount not to exceed \$1,000,000, with one 24-month extension option in an estimated amount not to exceed \$800,000, for a total estimated contract amount not to exceed \$1,800,000. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
18. Recommend authorization to award, negotiate and execute a contract with JOHNSON CONTROLS, INC., Austin, TX, for a motor upgrade on a YORK chiller for the Domain District Energy Cooling System for a total estimated contract amount not to exceed \$156,690. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
19. Authorize award and execution of Amendment No. 2 to a contract with COMP-UTILITY CORPORATION, Austin, TX, for the purchase of Uninterruptible Power Supply (UPS) power modules and external battery system maintenance for the 911 back-up center at the Combined Transportation, Emergency & Communications Center (CTECC) to extend the contract for one 12-month extension option in an estimated amount not to exceed \$14,919 with two additional 12-month extension options in an estimated amount not to exceed \$14,919 each, for a revised total estimated contract amount not to exceed \$106,383. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
20. Recommend authorization to award and execute a contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with PHILPOTT MOTORS, LTD, Nederland, TX, for the purchase of 35 light-duty hybrid vehicles in an amount not to exceed \$958,944.50. (Austin Energy's share is \$111,247.25.) **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
21. Recommend authorization to award and execute 11 contracts through the Texas Local Government Purchasing Cooperative (BuyBoard) with: EQUIPMENT SOUTHWEST, INC., Irving, TX for the purchase of one dump body and three loader attachments in an amount not to exceed \$262,992.40; JOHN DEERE SHARED SERVICES, INC., Moline, IL for the purchase of six tractor/loader/backhoes, two wheel loaders, and one rubber track loader in an amount not to exceed \$960,891.15; WAUKESHA-PEARCE INDUSTRIES, INC., Houston, TX for the purchase of two wheeled excavators in an amount not to exceed \$607,520.80; KINLOCH EQUIPMENT & SUPPLY, INC., Arlington, TX for the purchase of one Vactor sewer body in an amount not to exceed \$207,323.51; COOPER EQUIPMENT CO., INC., San Antonio, TX for the purchase of two gooseneck trailers and one 7,500 gallon water tank in an amount not to

exceed \$236,446.10; RUSH TRUCK CENTERS OF TEXAS LP, Buda, TX for the purchase of five cab and chassis and one street-flusher truck in an amount not to exceed \$573,150.00; TEXAN WASTE EQUIPMENT INC. dba HEIL OF TEXAS, Houston, TX for the purchase of seven refuse collection bodies in an amount not to exceed \$638,460.00; CHASTANG ENTERPRISES, INC., Houston, TX for the purchase of two cab and chassis in an amount not to exceed \$279,378.00; TIGER CORPORATION, Sioux Falls, SD for the purchase of one slope mower in an amount not to exceed \$99,225.52; TEREX UTILITIES, INC., San Antonio, TX for the purchase of one aerial device in an amount not to exceed \$118,182.00; WIRTGEN AMERICA, INC., Antioch, TN for the purchase of one milling machine and one drum roller in an amount not to exceed \$282,229.70. (Austin Energy's share is \$118,182.) **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**

22. Recommend authorization to award and execute a contract with CALDWELL COUNTRY CHEVROLET, Caldwell, TX, for the purchase of 12 Chevrolet Tahoes in an amount not to exceed \$331,619.45. (Austin Energy's share is \$91,599.15.) **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
23. Authorize award and execution of a contract with CALDWELL COUNTRY CHEVROLET, Caldwell, TX, or one of the other qualified bidders for IFB-BV SAP0123, for the purchase of five 15-passenger vans in an amount not to exceed \$114,880. (Austin Energy's share is \$22,976.) **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**

STAFF REPORTS AND BRIEFINGS

24. Monthly Financial Report by Steve Machicek, Corporate Accounting and Rates.
25. Deferred Payment Arrangements and Disconnections Report by J.J. Gutierrez, Vice President, Customer Care.
26. Presentation of Austin Energy's Annual Performance Report FY 2010 by Cheryl Mele, Chief Operating Officer. Commissioners suggested a few revisions and commended staff for providing comprehensive data. Chair Schmandt requested that staff solicit input from stakeholders prior to their final consideration of the report at next month's meeting.
27. Briefing on plans to execute additional long-term wind power purchase agreements by Michael Osborne, Assistant to the General Manager. The Commission is scheduled to make a recommendation on the proposed contracts at next month's meeting.
28. Update on Austin Energy's rate redesign including preliminary commercial and industrial rates by Larry Weis, General Manager, and Ann Little, Vice President, Finance and Corporate Services. Following a discussion regarding rate restructuring, Commissioners requested that their September 1 meeting be held at City Hall to allow for a live televised broadcast and, if possible, that staff arrange for additional public input via email during the meeting. They also requested that staff advertise the meeting to increase public participation.

FUTURE AGENDA ITEMS

29. Request agenda items including information related to the Upcoming Procurements Report. Commissioner Bernfeld requested a list of software purchases including costs.
30. **ADJOURN** – Chair Schmandt adjourned the meeting at 8:13 p.m. without objection.